



LOUISVILLE & NASHVILLE RAILROAD COMPANY

908 W. BROADWAY • LOUISVILLE, KENTUCKY 40203 TELEPHONE (502) 587-5235

LAW DEPARTMENT

April 11, 1979

10279/C

DAVID M. YEARWOOD
GENERAL ATTORNEY

Mr. H. G. Homme, Jr., Secretary
Interstate Commerce Commission
Washington, D. C. 20423

RECORDATION NO. Filed 1425

APR 13 1979 - 12 02 PM

INTERSTATE COMMERCE COMMISSION

Dear Mr. Secretary:

There is transmitted to you herewith for filing and recordation, pursuant to 49 U.S.C. Section 11303, duly executed counterparts of an Assignment of Lease and Agreement between First National Bank and Trust Company of Evanston, as Trustee, assignor, whose address is 800 Davis Street, Evanston, Illinois 60204, and Mercantile-Safe Deposit and Trust Company, as Agent, assignee, whose address is P. O. Box 2258, Two Hopkins Plaza, Baltimore, Maryland 21203.

By this Assignment of Lease and Agreement, First National Bank and Trust Company of Evanston, as Trustee, assigned, transferred and set over to Mercantile-Safe Deposit and Trust Company, as Agent, its right, title and interest under that Lease of Railroad Equipment dated as of January 2, 1979, which is being filed concurrently herewith.

This letter of transmittal is signed by an officer of Louisville and Nashville Railroad Company designated for the purpose hereof who has knowledge of the matters set forth herein.

After recordation, please return the recorded counterparts of said Assignment of Lease and Agreement to:

Mr. Allen H. Harrison, Jr.
Wilmer, Cutler & Pickering
1666 K Street, N. W.
Washington, D. C. 20006

Respectfully yours,


Louisville and Nashville Railroad Company

By

David M. Yearwood

David M. Yearwood
General Attorney

Attachment

10279-

RECORDATION NO. Filed 1425

APR 13 1979 - 12 05 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of January 2, 1979, by and between FIRST NATIONAL BANK AND TRUST COMPANY OF EVANSTON, a national banking association, not in its individual capacity but solely as Trustee (the "Lessor" or the "Vendee") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with Crocker National Bank and City National Bank (the "Beneficiaries"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, acting not in its individual capacity but solely as Agent (the "Vendor") under a Participation Agreement dated as of the date hereof.

WHEREAS the Vendee is entering into a Conditional Sale Agreement dated as of the date hereof (the "CSA") with General Motors Corporation (Electro-Motive Division) (the "Builder"), providing for the sale to the Vendee of such units of railroad equipment (the "Units") described in the Annex B thereto as are delivered to and accepted by the Vendee thereunder;

WHEREAS the Lessor and Louisville and Nashville Railroad Company (the "Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease"), providing for the leasing by the Lessor to the Lessee of the Units; and

WHEREAS in order to provide security for the obligations of the Lessor under the CSA and as an inducement to the Vendor to invest in the Indebtedness (as that term is defined in the CSA), the Lessor agrees to assign for security purposes its rights in, to and under the Lease to the Vendor;

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor as Vendee

under the CSA, all the Lessor's right, title and interest, powers, privileges, and other benefits under the Lease including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, liquidated damages, or otherwise (such moneys being hereinafter called the "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof. Notwithstanding the foregoing, the Payments shall not be deemed to include, either before or after an Event of Default shall have occurred and be continuing under the Lease, payments by the Lessee to the Lessor or the Beneficiaries pursuant to §§ 6 and 9 of the Lease (except to the extent and in the event any of such payments discharges a corresponding obligation of the Lessor to the Vendor under Articles 6 and 13 of the CSA); provided, however, that the Vendee shall have no right to exercise any of the remedies under the lease (other than § 10(a) thereof) to enforce payment of such excluded amounts after an Event of Default shall have occurred and while it shall be continuing, and no payments otherwise excluded from this Assignment pursuant to this sentence may be made to or retained by the Vendee out of the proceeds of the sale or other disposition of the Units unless and until full payment of principal of and interest on the Indebtedness shall have been made.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease, subject to the provisions of the Lessee's Consent and Agreement attached hereto (the "Consent") permitting certain payments to be made directly to the Lessor. To the extent received, the Vendor will apply such Payments to satisfy the obligations of the Lessor under the CSA then due and payable, and, so long as no event of default or event which with the lapse of time and/or demand provided for in the CSA could

constitute an event of default thereunder, shall have occurred and be continuing, any balance shall be paid to the Lessor on the same date such Payment is applied to satisfy such obligations of the Lessor (or to such other party as may be specified by the Lessor), by bank wire to the Lessor at such address as may be specified to the Vendor in writing and such balance shall be retained by the Lessor. If the Vendor shall not receive any rental payment under § 3 of the Lease payable to it as provided in the Consent when due, the Vendor shall notify the Lessor at the address set forth in the Lease; provided, however, that the failure of the Vendor to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the CSA. The Lessor will furnish to the Vendor and the Lessee a schedule, with such changes as may be appropriate from time to time, setting forth the amounts due the Vendor under the CSA and the Lessor under the Lease on each such date for the payment thereof.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Vendor.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Lessor; without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Lessor does hereby constitute the Vendor the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise), to ask,

require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which to Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Vendor may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all sums due from the Lessor under the CSA, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate right, title and interest of the Vendor in and to the Lease shall revert to the Lessor. However, the Vendor, if so requested by the Lessor at that time and at the sole expense of the Lessor, will (a) execute an instrument releasing its entire estate, right, title and interest in the Lease and transferring such estate, right, title and interest to the Lessor and (b) execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Lessor in order to confirm or further assure the interest in the Lease which shall have reverted or been so transferred to the Lessor.

6. The Lessor will pay and discharge any and all claims, liens, charges or security interests (other than those created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor, or its successors and assigns (other than the Vendor and the Lessee), not arising out of the transactions contemplated by the CSA or the Lease (but including tax liens arising out of the receipt of the income and proceeds from the Units) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments equal or superior to the Vendor's interest therein, unless the Lessor shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor adversely affect such interests of the Vendor.

7. The Lessor will, from time to time, execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Vendor in order to confirm or further assure, the interest of the Vendor hereunder.

8. Subject to the provisions of Article 14 of the CSA, the Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any payments due or to become due, but the Lessee shall be under no obligation to any subsequent or successive assignee except upon written notice of such assignment from the Vendor. In the event of any such assignment and notice, any such subsequent or successive assignee or assignees shall, to the extent of the assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder.

9. This Assignment shall be governed by the laws of the State of Illinois, but the parties shall be entitled to all rights conferred by 49 U.S.C. 11303.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor at P. O. Box 2258, Baltimore, Maryland 21203, Attention of Corporate Trust Department, street address 2 Hopkins Plaza, Baltimore, Maryland 21201, Attention of Corporate Trust Department, or at such other address as the Vendor shall designate.

11. The Vendor hereby agrees with the Lessor that the Vendor will not, unless an event of default under the CSA (as defined therein) has occurred and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Lessor to the Vendor by this Assignment, except the right to apply the Payments as provided in Paragraph 1 hereof.

12. It is understood and agreed that each and all of the representations, undertakings and agreements herein made on the part of the Lessor are each and every one of them made and intended not as personal representation, undertakings and agreements by First National Bank and Trust Company of Evanston, or for the purpose or with the intention of binding said trust company personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement and this Assignment is executed and delivered by the said trust company solely in the exercise of the powers expressly conferred upon the said trust company as trustee under said Trust Agreement, and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against

said trust company or the Beneficiary (except as provided in the proviso to the last paragraph of Article 12 of the CSA) or on account of any representation, undertaking or agreement of the the said trust company or the Beneficiaries (except as aforesaid) either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor, provided, however, that the Vendor or any person claiming by, through or under the Vendor making any claim hereunder, may look to said Trust Estate for satisfaction of the same. The Lessor agrees that it will not enter into any amendment or modification of the Trust Agreement except as provided therein.

13. Notwithstanding any other provisions of this Assignment (including, but not limited to, any provision of the first paragraph of Paragraph 1 and Paragraph 3 hereof), the terms of this Assignment shall not limit or in any way affect the Lessor's right to receive and collect any Payments under the Lease in excess of the obligations of the Lessor under the CSA as long as there is no event of default under the CSA; provided, however, that the Lessor shall not take any action under Section 10(b) of the Lease without the written consent of the Vendor. In addition, the Lessor agrees that, until the full discharge and satisfaction of all its obligations under the CSA, without the prior written consent of the Vendor (which shall not be given without the approval of the Investors as provided in Paragraph 2 of the Participation Agreement), the Lessor may not take any action to terminate the Lease, the right to do so being reserved by the Vendor.

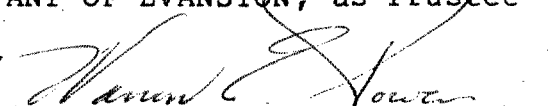
14. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Vendor shall be deemed to be the original and all other counterparts shall be deemed to be duplicates thereof. It shall not be necessary that any counterpart be signed by both parties so long as each party shall sign at least one counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective names by officers thereunto duly authorized, and their respective

seals to be affixed and duly attested, all as of the date first above written.

FIRST NATIONAL BANK AND TRUST
COMPANY OF EVANSTON, as Trustee

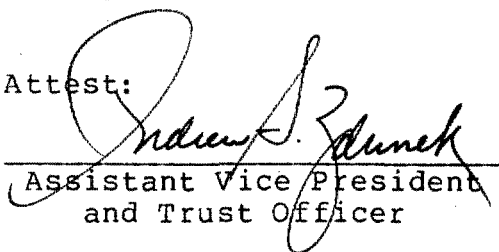
by



Vice President and
Trust Officer

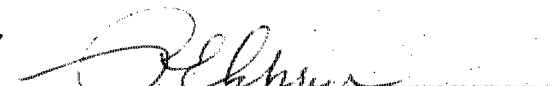
[Seal]

Attest:


Assistant Vice President
and Trust Officer

MERCANTILE-SAFE DEPOSIT AND TRUST
COMPANY, as Agent,

by



Assistant Vice President

[Corporate Seal]

Attest:


Corporate Trust Officer

STATE OF ILLINOIS,)
) ss.:
 COUNTY OF COOK ,)

On this 9th day of April 1979, before me personally appeared Warren E. Powers, to me personally known, who, being by me duly sworn, says that he is a Vice President and Trust Officer of FIRST NATIONAL BANK AND TRUST COMPANY OF EVANSTON, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Patricia K. Van Nite
 Notary Public

[Notarial Seal]

STATE OF MARYLAND,)
) ss.:
 CITY OF BALTIMORE,)

On this 10th day of April 1979, before me personally appeared R. E. Schreiber, to me personally known, who, being by me duly sworn, says that he is Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Patricia A. Shilow
 Notary Public

[Notarial Seal]

My commission expires July 1, 1982

CONSENT AND AGREEMENT

The undersigned, LOUISVILLE AND NASHVILLE RAILROAD COMPANY, a Kentucky corporation (the "Lessee"), the lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Lease Assignment"), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages and other moneys (other than the payments excluded from the Lease Assignment pursuant to Paragraph 1 thereof) provided for in the Lease (which moneys are hereinafter called the "Payments") due and to become due under the Lease or otherwise in respect of the Units leased thereunder, directly to Mercantile-Safe Deposit and Trust Company, not in its individual capacity but solely as agent (the "Vendor"), the assignee named in the Assignment, at P. O. Box 2258, Baltimore, Maryland 21203, Attention of Corporate Trust Department (or at such other address as may be furnished in writing to the undersigned by the Vendor);

(2) the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Vendor were named therein as the Lessor;

(3) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise; and

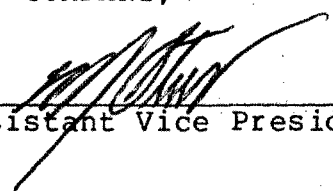
(4) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Vendor by signing the acceptance at the foot hereof, shall

be deemed to be a contract under the laws of the Commonwealth of Kentucky and, for all purposes, shall be construed in accordance with the laws of said Commonwealth.

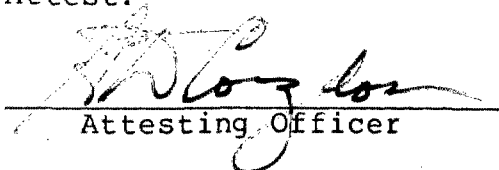
LOUISVILLE AND NASHVILLE
RAILROAD COMPANY,

by


Assistant Vice President

[Corporate Seal]

Attest:


Attesting Officer

The foregoing Consent and Agreement is hereby
accepted as of the 2nd day of January 1979.

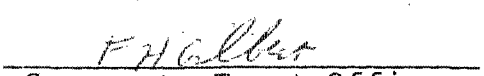
MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY, as Agent,

by


Assistant Vice President

[Corporate Seal]

Attest:


Corporate Trust Officer

COMMONWEALTH OF KENTUCKY,)
) ss.:
 COUNTY OF JEFFERSON,)

On this 12th day of April 1979, before me personally appeared N. H. Stier, to me personally known, who, being by me duly sworn, says that he is an Assistant Vice President of LOUISVILLE AND NASHVILLE RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Norma J. Jones
 Notary Public

My Commission expires March 4, 1981

[Notarial Seal]

STATE OF MARYLAND,)
) ss.:
 CITY OF BALTIMORE,)

On this 10th day of April 1979, before me personally appeared R. E. Schreiber, to me personally known, who, being by me duly sworn, says that he is Assistant Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Patricia A. Pilow
 Notary Public

[Notarial Seal]

My commission expires July 1, 1982